

Message Text

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FOL REPEAT STATE 151379 SENT ACTION BEIRUT JUL 15

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FOLLOWING REPEAT STATE 151379 JULY 12, 1974 ACTION USUN NEW YORK
INFO ADDIS ABABA ALGIERS ATHENS BOGOTA USINT BAGHDAD BRASILIA
BRUSSELS BUENOS AIRES CANBERRA CARACAS GENEVA THE HAGUE JAKARTA
JIDDA KINSHASA KUALA LUMPUR LAGOS LONDON MEXICO

QUOTE C O N F I D E N T I A L

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E.O. 11652:

TAGS: EAID, EGEN

SUBJECT: UN JULY 15 DONORS MEETING

REF: (A) GENEVA 4240

(B) STATE 134547

1. THE US SHOULD GENERALLY STAY IN BACKGROUND AT THIS
MEETING AND AVOID LENGTHY INTERVENTIONS. BASIC US POSI-
TION IS PARA 2 AND 3. OTHER POINTS SHOULD BE DRAWN UPON
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ONLY AS NECESSARY IF OTHER DELEGATIONS SPEAK ON THESE

POINTS AND YOU BELIEVE SOME US STATEMENT REQUIRED. PARA
8 IS APPROPRIATE, E.G., IF OTHER DONORS MENTION AID
AMOUNTS.

2. THE US DESIRES TO COOPERATE IN INTERNATIONAL EFFORTS
TO ALLEVIATE SITUATION OF MSAS. WE UNDERSTAND THAT
THE PRIMARY PURPOSE OF THE PRESENT MEETING IS FOR UN TO
MONITOR AND KEEP TRACK OF ALL AID OUTFLOWS. WE ALSO UN-
DERSTAND THAT SYG CONSIDERS THAT BILATERAL AID PROGRAMS
COUNT IN MEETING SYG TARGET AS MUCH AS ANY NEW PROGRAMS
THROUGH UN (SEE REFTEL A). WITH REFERENCE TO THE UN'S
MONITORING ROLE, THE US IS NOT IN A POSITION TO MENTION
ANY SPECIFIC FIGURES AT THIS TIME BECAUSE WE ARE NOT
SURE ABOUT THE DEFINITION OF AID TO MSAS. FOR EXAMPLE,

THERE ARE QUESTIONS OF WHICH RECIPIENT COUNTRIES SHOULD
BE INCLUDED IN AN AID FIGURE, AND DEFINITIONS OF ADDI-
TIONALITY, CONCESSIONALITY, AND TIME FRAME OF AID.

3. WE EXPECT THAT A MINISTERIAL COMMITTEE
ALONG THE LINES
RECOMMENDED BY THEC-20, ON THE BASIS OF AN ORIGINAL PRO-
POSAL BY THE LDCS - WILL BECOME THE MOST EFFECTIVE
COORDINATING BODY INVOLVING THE DEVELOPED COUNTRIES, OIL
EXPORTERS, AND THE LDCS (SEE REFTEL B). THIS COMMIT-
TEE WILL COORDINATE WITH THE UN AND OTHER INTERNATIONAL
BODIES. AS A FIRST ORDER OF PRIORITY IT HAS THE MSA
PROBLEM.

4. THE USG BELIEVES THAT, OVER THE NEXT YEAR AND A HALF,
THE DIMENSIONS AND TIMING OF DEALING WITH THE PROBLEM
APPEAR SERIOUS BUT MANAGEABLE, ASSUMING THE POLITICAL
WILL IS PRESENT AND THE APPROPRIATE ACTIONS ARE TAKEN.

5. A REDUCTION IN OIL AND OTHER PRICES IS OF COURSE
THE PREFERRED MEANS, BUT IT IS UNREALISTIC TO BELIEVE
THAT A ROLLBACK TO EARLY 1973 LEVELS WILL TAKE PLACE.
HOWEVER, THIS REINFORCES THE NEED FOR THE OIL EXPORTERS
TO PROVIDE MORE ASSISTANCE TO THE MSAS ON CONCESSIONAL
TERMS.

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6. DONORS SHOULD BE ENCOURAGED TO UTILIZE ALL VIABLE
CHANNELS FOR PROVIDING AND COORDINATING ASSISTANCE.
WHILE THE UN HAS A ROLE, THE US DOES NOT BELIEVE THAT
THE UN SHOULD BE INVOLVED IN THE OPERATIONAL MANAGEMENT
OF A SPECIAL FUND FOR THIS EFFORT. THE US FAVORS UTILI-
ZATION OF EXISTING MECHANISMS AS CHANNELS OF ASSISTANCE
FROM THE STANDPOINT OF EFFICIENCY AND EXPERTISE.

7. THE EXTENT OF THE FINANCIAL PROBLEM FOR INDIVIDUAL COUNTRIES AND POSSIBLE US POLICY RESPONSES ARE THE SUBJECT OF INTENSIVE AND CONTINUOUS STUDY BY A SPECIAL USG INTER-AGENCY WORKING GROUP. THE US APPROACH WILL CONTINUE TO BE ON A COUNTRY BY COUNTRY BASIS. PRELIMINARY RESULTS OF THIS GROUP'S STUDY OF THE PROBLEM WILL SOON BE AVAILABLE FOR DISCUSSION AT THE C-20'S TECHNICAL LEVEL GROUP ON RESOURCE TRANSFERS.

8. MEANWHILE, WE ARE PROCEEDING ON THE ESTABLISHED COURSE OF SEEKING CONGRESSIONAL APPROVAL OF MULTILATERAL AND BILATERAL AID PROGRAMS. IN THIS CONNECTION, WE WERE GRATIFIED AT THE HOUSE OF REPRESENTATIVES ACTION ON

JULY 2 IN AUTHORIZING, BY 225 TO 140, A 1.5 BILLION DOLLARS US CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION FOURTH REPLENISHMENT, THUS REVERSING THEIR VOTE OF LAST JANUARY AND FOLLOWING ON SUCCESSFUL PASSAGE OF THIS LEGISLATION BY THE SENATE IN MAY. THE EXECUTIVE BRANCH WILL ALSO BE DECIDING LATER THIS SUMMER ON RECOMMENDED PL 480 LEVELS FOR FY 1975. THE USG INTENDS TO KEEP THE SYG FULLY INFORMED OF ALL MEASURES IT INTENDS TO TAKE IN THE CONTEXT OF THE GLOBAL DEVELOPMENT EFFORT.

9. FURTHER ANALYSIS IS NECESSARY ON OTHER PROPOSED INTERNATIONAL SCHEMES, SUCH AS THE SALE BY THE IMF OF GOLD IN THE PRIVATE MARKET WITH PROFITS BEING MADE AVAILABLE FOR ASSISTANCE TO THE MSAS.

10. IF IT APPEARS THAT SYG WILL PREPARE PRESS RELEASE CATALOGUING AMOUNTS MENTIONED BY OTHER DONORS, WE SHOULD DISCOURAGE THIS, BECAUSE OF QUESTIONS OF DEFINITIONS LIMITED OFFICIAL USE

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RAISED IN PARA 2 ABOVE. FROM US STANDPOINT, PRESS RELEASE IS UNDESIRABLE BECAUSE WE ARE UNABLE TO DETERMINE WHAT PART OF WHAT US IS CURRENTLY UNDERTAKING IS EQUIVALENT TO AMOUNTS BEING MENTIONED BY OTHER DONORS - E.G., SAHEL, PAKISTAN AND CHILE DEBT RELIEF, ETC. UNQUOTE KISSINGER

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